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## FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON, D.C. 20554

5 NOV 1993

Dockets

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Maria Contribuna

Honorable Alfonse M. D'Amato United States Senate 520 Hart Senate Office Bldg. Washington, DC 20510-3202

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

Dear Senator D'Amato:

This responds to your letter of October 5, 1993, addressing the 2 GHz Personal Communications Services (PCS) proceeding, GEN Docket No. 90-314 Your constituent, Donald W. Gruneisen, President of Nicholville Telephone Company, Inc., expresses support for a PCS licensing structure that permits rural telephone systems to provide PCS in their own service area.

On September 23, 1993, the Commission adopted final rules to govern PCS as well as a Notice of Proposed Rule Making seeking comment on competitive bidding rules proposed to be used to select PCS licensees. The Commission allocated a total of 120 megahertz of spectrum for licensed PCS and permitted telephone companies without cellular interests to aggregate up to 40 megahertz of this spectrum (the maximum authorized any licensee). Telephone companies with cellular interests may acquire 10 megahertz in a PCS service area in which they own twenty or more percent of a cellular company, if the cellular company serves 10 or more percent of the population of the PCS service area. Local exchange carriers are permitted to apply for PCS licenses on the same basis as other applicants, except insofar as they hold interests in cellular operations.

The Commission adopted 492 local service areas based on Basic Trading Areas (BTAs) and 51 regional service areas based on Major Trading Areas (MTAs). The 120 megahertz is divided into two 30 megahertz MTA blocks, one 20 megahertz BTA block, and four 10 megahertz BTA blocks. In the companion Notice of Proposed Rule Making, PP Docket No. 93-253 the Commission proposed licensing preferences in one 20 megahertz and one 10 megahertz frequency block for rural telephone companies, small businesses, and businesses owned by minorities and women.

The Commission's decisions addressing PCS are designed to foster competition among PCS providers and between PCS providers and cellular radio operators and to ensure expeditious provision of PCS in both urban and rural areas. I am enclosing the press releases for the dockets addressed above that more fully describe the Commission's actions.

Sincerely,

Bruce Franca

Thomas P. Stanley Chief Engineer

**Enclosures** 

## FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON, D.C. 20554

5 NOV 1993

IN REPLY REFER TO:

CN9304147

Honorable Alfonse M. D'Amato United States Senate 520 Hart Senate Office Bldg. Washington, DC 20510-3202

Dear Senator D'Amato:

This responds to your letter of October 5, 1993, addressing the 2 GHz Personal Communications Services (PCS) proceeding, GEN Docket No. 90-314. Your constituent, Bruce C. Bohnsack, President of Germantown Telephone Company, Inc., expresses support for a PCS licensing structure that permits rural telephone systems to provide PCS in their own service area.

On September 23, 1993, the Commission adopted final rules to govern PCS as well as a Notice of Proposed Rule Making seeking comment on competitive bidding rules proposed to be used to select PCS licensees. The Commission allocated a total of 120 megahertz of spectrum for licensed PCS and permitted telephone companies without cellular interests to aggregate up to 40 megahertz of this spectrum (the maximum authorized any licensee). Telephone companies with cellular interests may acquire 10 megahertz in a PCS service area in which they own twenty or more percent of a cellular company, if the cellular company serves 10 or more percent of the population of the PCS service area. Local exchange carriers are permitted to apply for PCS licenses on the same basis as other applicants, except insofar as they hold interests in cellular operations.

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Sincerely,

Bruce Franca

Thomas P. Stanley Chief Engineer

Enclosures